SSDSG-12

25 May 1967

| MEMORANDUM | FOR: | Deputy | Director | for | Intelligence | |
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| VIA | : | | | | 25X1A | |
| SUBJECT | : | Progre | ssof SSDS | G | | |

- 1. The Task Force has progressed to the extent of:
- a. Completing Annex A, "Security Commitments of non-Arab powers." (This Annex was checked out with and minor corrections made.)
- b. Completing a preliminary draft of Annex C,
 "Arms Acquisition and Military Assistance: Patterns,
 Impact and Policies." (Apreliminary copy will be given
 to me for comments.)
- c. Frig. Henry, Deputy Director, is in charge of Annex B, "Military Strategic Appraisal." It is still being drafted.
- d. Frank Siscoe, Dept. of State, is drafting Annex D, "Soviet Role." We have contributed material, as requested. It is coming up for the preliminary discussion by the Group on May 31.
- e. Annexes E, F and G are awaiting ORR contributions which are expected by mid-June.
- 2. I am urging the Group strongly to view the technological aspects in the area with less optimism, pointing out, at the same time, that consultations with agencies of our government other than CIA would probably be more pertinent. I emphasized that our studies, usually, are undertaken to satisfy specific requests or else to provide material to shed light on political implications of issues in the limelight. (As an example I cited the ORR study: "Struggle for Jordan Waters.") I also suggested that the time limit set by the Group, precludes the preparation of extensive studies on subjects out of CIA's field, even if we had the necessary technological expertise to do it.

- 3. We are, nonetheless, expected to prepare the Petroleum Annex (Annex F). I am hopeful that the Petroleum Memorandum, now in preparation by ONE as a Staff Memorandum, together with some other less technical material, could be used as a basis. Some amplification by someone entirely familiar with International Oil may, however, be necessary. The Group's interest in oil seems to be entirely justifiable because of its multi-faceted impact on the area, its importance to us and the West.
- 4. Whatever the outcome of present Arab-Israeli confrontation, the crisis highlighted the issue once again. The Group now feels, that contrary to a previous determination to avoid involvement in the issue of such dimensions, it must address itself adequately to the problem.

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